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1st Session }

HOUSE OF REPRESENTATIVES
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Division, Office of Legislative
Counsel, x1126

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1982

MAY 19, 1981.—Ordered to be printed

Mr. PRICE, from the Committee on Armed Services,
submitted the following

REPORT

together with

DISSENTING, INDIVIDUAL, AND ADDITIONAL VIEWS

[To accompany H.R. 3519]

[Including cost estimate of the Congressional Budget Office]

The Committee on Armed Services, to whom was referred the bill (H.R. 3519) to authorize appropriations for fiscal year 1982 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize appropriations for such fiscal year for civil defense, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

This bill would—

- (1) Authorize appropriations during fiscal year 1982 for (a) major weapons systems procurement; (b) research, development, test, and evaluation (R.D.T. & E.); (c) operations and maintenance (O&M); and (d) civil defense;
- (2) Authorize the personnel strength for each active duty component of the armed forces for fiscal year 1982;
- (3) Authorize the strength for the Selected Reserve for each Reserve component of the armed forces for fiscal year 1982;
- (4) Authorize the civilian personnel strengths of the Department of Defense for fiscal year 1982;
- (5) Authorize the annual active duty military training student loads for each of the active and Reserve components of the armed forces for fiscal year 1982; and

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the use of a procedure to determine, in large part, mirrors the Medicare deductive extensive hearings over the last 10 years and Medical Program of the United States and has determined that the use of this procedure has resulted in many complaints about the use of this procedure. The provision recommended by the committee would result in many complaints about the use of this procedure.

PERSONNEL END STRENGTH LIMITATIONS NATIONAL EMERGENCY

A mobilization exercise conducted during the last year managers were confronted with the force during an actual mobilization with end strength ceilings established. The difficulty results if a national emergency force expansion occurs at a point in time on which end strength ceilings are unable to act due to the limited time available.

Required by section 138 of title 10, United States Code, time controls on defense manpower are required by the day of the fiscal year. This provides flexibility in administering the ceiling.

It is not appropriate even under the current law, arbitrary impact that could be expected requires relief. For this reason, the President authority, for use of the law, to delay the effective date of the law for two months. The President would act promptly after the exercise of the law.

AIR FLEET (CRAF) ENHANCEMENTS

Amendment to chapter 931, title 10, United States Code, requires the Secretary of the Air Force to modify the configuration of civil aircraft to configurations capable of carrying military cargo.

The strategic airlift capabilities of the Air Force are declining with each passing year. Major requirements of the Rapid Deployment Force are being met by a serious deficiency.

The Air Fleet (CRAF) enhancements would require resources. Instead of purchasing new DC-10 type aircraft, existing aircraft could be used at one-tenth the cost of dedicated

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The primary changes made to existing CRAF program relate to the status of aircraft to be modified and attempt to reduce the risks for the owners of the aircraft.

The provision would specifically authorize the modification of existing aircraft; at present only modification of new aircraft is allowed.

The provision would lower the financial risk to the owners by reimbursing them for additional operating costs associated with aircraft that become slightly heavier in operating weight due to the modification. Reimbursement could be on an installment basis, allowing for changes in fuel costs. Current law contains a disincentive to airline participation because the airline is reimbursed on a lump sum basis using estimated fuel costs spanning 16 years.

The provision would authorize government payment of the total modification cost if the aircraft is not subsequently used in commerce air cargo service and would authorize the payment of 50 percent of modification costs if the aircraft is subsequently used in commerce air cargo service.

The provision would also provide authority to reimburse the owner of the aircraft if that aircraft is subsequently sold below the fair market value of a substantially similar unmodified aircraft. The threat of loss on resale has been a major disincentive to industry participation in the CRAF program in the past.

The committee has been told by the Department of Defense that if the above provisions are adopted increased airline response can be expected, and up to 100 aircraft have been tentatively offered for modification.

The provision would require the owners of the aircraft to make the modified aircraft available for use by the Department of Defense upon any activation of the Civil Reserve Air Fleet. The owner or operator would be required to operate the aircraft for the Department of Defense at fair and reasonable rates as provided in the Military Aircraft Command's annual airlift services contract.

The present CRAF Program is not working. Between fiscal year 1978 and fiscal year 1981, the Congress appropriated \$93.4 million for this program, and only one aircraft has been committed to the modification. The committee believes that the provision will treat fairly the airline industry and at the same time serve the needs of the Nation's defense and will make a substantial contribution to the Air Force's ability to meet strategic airlift requirements.

SECTION 908—MILITARY COOPERATION WITH CIVILIAN LAW ENFORCEMENT OFFICIALS

Section 908 would amend Part I, Subtitle A, of Title 10, United States Code, by adding, after chapter 17, a new chapter that would permit military cooperation with civilian law enforcement officials. It would authorize the Secretary of Defense (1) to provide Federal, state and local law enforcement officials with any information collected during the normal course of military operations that may be relevant to a violation of any Federal or state law; (2) to make available any equipment, base facility or research facility of the armed forces to Federal, state or local law enforcement officials if such action will not adversely affect military preparedness; (3) to assign military personnel to train Federal, state or local law enforcement officials in the

operation of military equipment made available to them and to provide expert advice to them; (4) to issue regulations (a) to ensure that the provision of assistance to law enforcement officials will not impair any training or operation necessary for military preparedness, and (b) to ensure reimbursement for provisions of assistance, equipment and facilities whenever he determines reimbursement is appropriate; and (5) to assign members of the armed forces to assist Federal drug enforcement officials in drug seizures and arrests, providing (a) such assistance does not adversely affect military preparedness, (b) the Secretary, or his designee, verifies that the drug enforcement operation may not succeed without the assistance of military personnel, and (c) control over the activities and direction of the drug enforcement operation is under the ultimate control of Federal drug enforcement officials, and (d) such assignment shall not occur in any location or circumstance not previously approved by the Secretary of State.

SECTION 909—ARMED SERVICES PROCUREMENT POLICY

Section 909 would amend chapter 137 (sections 2301, 2306, and 2311) of title 10, United States Code, to give the Department of Defense statutory authority to engage in multiyear contracting, to make related improvements in procurement procedures, to provide greater stability and reduced program costs, and to enhance the defense production capability of the United States.

Section 909 is an outgrowth of the extensive study done by the committee's Panel on the Defense Industrial Base in the 96th Congress. The panel's report, entitled *The Ailing Defense Industrial Base: Not Ready for Crisis*, identified major problems leading to the decline of the U.S. defense industrial base, including instability and uncertainty in defense contracting and a decreasing level of participation in defense business by subcontractors, vendors and supplier companies. The panel's report contained a chapter, "Contracting Procedures are Excessively Restrictive," that thoroughly outlines the present-day contracting difficulties that section 909 is designed to address. Provisions similar to section 909 were incorporated in H.R. 745, which was the subject of hearings by the Readiness Subcommittee in the present Congress. Additionally, the full committee held a day of hearings on industrial base problems during its review of this authorization legislation.

Section 909 would allow for prudent, careful use of multiyear contracting and would direct the Secretary of Defense to make other necessary changes in the defense acquisition regulations (DAR's) to bring about more efficient contracting procedures. Its intent is to do this without losing the benefits of competition or reducing the number of companies necessary to maintain the defense industrial base.

Subsection 909(a) would amend section 2301 of title 10, United States Code, to incorporate a Congressional statement of policy on defense procurement. The subsection specifies that it would be the policy of Congress that services and property, including weapons systems and components, could be acquired by any kind of contract, including multiyear contracts (but excluding cost-plus-a-percentage-of-cost contracts, which is now excluded by law), that will promote the interest of the United States; the subsection also specifies that it would be the policy of Congress that such contracts should provide for purchases at times and in quantities that will reduce costs and at the same

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